



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE LANDS AND FORESTRY

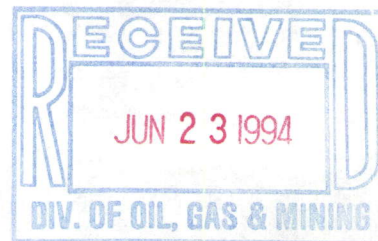
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June 23, 1994



CERTIFIED MAIL NO. P 051 448 285

Jerry Glazier
5m Inc.
P.O. Box 752
Hurricane, UT 84180

Dear Mr. Glazier:

RE: ML 40450 and ML 40059—Met Minerals
S/021/009 Iron County

On May 17, 1994, the division requested that within 30 days the Lessee furnish additional surety or collateral bonding in the amount of \$5000 per acre of surface disturbance for your proposed or actual mining operations under state mineral leases ML 40450 and ML 40059. Lessee has failed to comply with the division's request and is in breach of Article XII of the lease agreements.

Lessee is hereby notified pursuant to Article XIX of the lease agreements that ML 40450 and ML 40059 will terminate in 30 days from date of this letter. All rental payments shall be forfeited to the state.

The division demands that upon the termination of ML 40450 and ML 40059 you 1) immediately cease all mining of the leased lands, 2) reclaim all surface disturbances to the satisfaction of the division; and, 3) submit all remaining royalty payment for leased substances which have been removed from the property.

Lessee may remedy the violation of Article XII and prevent the termination of this leases by furnishing the requested bond prior to 30 days from the date of this letter.

Please contact me if you have any questions in this matter.

Sincerely,

JOHN T. BLAKE
MINERAL RESOURCES SPECIALIST

JTB/tdw

cc: Kevin Carter

Wayne Hedberg

